



RESOLUTION

ESTABLISHING A CITY POLICY TO ESTABLISH AND IMPLEMENT MITIGATION ASSISTANCE AND TECHNICAL SERVICES PROGRAM FOR BUSINESSES NEGATIVELY IMPACTED BY CITY TRANSIT CONSTRUCTION ACTIVITIES.

WHEREAS, at \$5.2 billion, the Honolulu Rail Transit project ("project") represents the largest and most expensive capital project in the history of the City and County of Honolulu; and

WHEREAS, on July 1, 2011, the Honolulu Authority for Rapid Transportation ("HART") was established through an amendment to the Revised Charter of the City and County of Honolulu and is authorized to develop, operate, maintain and expand the project; and

WHEREAS, local businesses along the rail project alignment are currently being impacted by the construction activities directly in association with the rail project to the point where the viability of certain business establishments is being questioned; and

WHEREAS, as part of its project mitigation efforts for impacted businesses, HART is required to adhere to Federal and State Laws that require that relocation and advisory assistance be provided to all businesses; and

WHEREAS, this assistance may not be adequate to address transit construction impacts for those businesses forced to reestablish business operations in another location or those businesses that have remained in their current locations along the rail project alignment; and

WHEREAS, other jurisdictions have addressed these assistance inadequacies faced by businesses impacted by rail construction, including Seattle, Washington, which constructed the 4.3 mile Central Link Rail Line in the Rainier Valley from 2004 to 2008, and which, during construction, directly affected 310 businesses located along the rail corridor; and

WHEREAS, Sound Transit, the popular name of Washington State's Central Puget Sound Regional Transit Authority, established the Rainier Valley Community Development Fund ("CDF") in 2002 primarily to address construction impacts, but also to invest in long-term business and real estate development in the Rainier Valley. The CDF was funded primarily by the City of Seattle, which contributed \$35 million of Community Development Block Grants ("CDBG") over seven years, and \$7.8 million from its general fund. King County and Sound Transit combined contributed another \$7.2 million, for a total of \$50 million in the CDF; and



RESOLUTION

WHEREAS, while the purpose of the CDF was to administer payments and advances to the impacted businesses, Sound Transit also established a complementary and valuable technical assistance program to strengthen the businesses and help them through the construction phase; and

WHEREAS, by the completion of the Rainier Valley rail line construction, 22 percent of those businesses that did not receive mitigation assistance funds had closed for business, while only 10 percent of those businesses that did receive mitigation assistance funds had closed for business, suggesting that businesses that utilized the mitigation assistance funds were better positioned to survive the construction process; and

WHEREAS, the City Council finds it is incumbent on the City and County of Honolulu to do all it can to ensure that businesses impacted by ongoing construction along the rail alignment are not placed in a position of insolvency and closure because of the construction of the rail project; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that a City policy is hereby established requiring the establishment and implementation of mitigation assistance and technical service programs for businesses negatively impacted by transit construction activities; and

BE IT FURTHER RESOLVED that the City Administration in partnership with the Honolulu Authority of Rapid Transportation, shall establish and implement the Transit Construction Mitigation Fund to assist businesses negatively impacted by City transit construction activities, by way of, at minimum, the following initiatives:

1. Reestablishment payments (grants): Available to businesses that were forced to physically relocate due to rail construction;
2. Business interruption payments (grants): To compensate businesses located along the corridor for loss of business income due to construction impacts; and
3. Working capital advances (loans): For covering legitimate business operating expenses required to continue operation during the construction phase.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 15-118

RESOLUTION

BE IT FURTHER RESOLVED that the City Administration shall submit to the Council no later than August 30, 2015 a status report on the establishment of the Transit Construction Mitigation Fund; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, and the Chair of the HART Board of Directors.

INTRODUCED BY

[Signature]

DATE OF INTRODUCTION:

MAY 1 2015

Honolulu, Hawaii

Councilmembers